

Local Incumbent Worker Guidelines

KEY POINTS:

The (Insert *Local Area Name*) Workforce Development Board (WDB) will use up to 20% of the combined Adult and Dislocated Worker formula funds from the Workforce Innovation & Opportunity Act (WIOA) to fund local Incumbent Worker Training for awarded businesses. The funds available for the program year (July 1 – June 30) is contingent upon available funding. These funds are available to eligible businesses in the (Insert *Local Area Name*) (*List county (ies)*). A specific outreach focus for this grant will focus on businesses that are aligned to the growing industries and in-demand occupations of our region which may include: (Insert local in-demand industries). Small businesses are also a specific focus of this grant. The trainings in which this grant may fund should have an impact on the business's stability, and competitiveness as well as the employees' opportunity for career growth. The process for awarding Incumbent Worker grants is outlined within this policy.

The Local Incumbent Workers grant is a competitive training grant through which qualifying businesses can address employees' skills gaps:

- These skills gaps can be a result of an employee changing responsibilities/requirements in her/his job or for an employee whose job may potentially be eliminated and skill upgrading is needed to accept new responsibilities.
- The training(s) should result in increased knowledge/skills for the employee and increase the stability and competitiveness of the business.
- Trainings that results in or provides a significant step towards achieving an industry-recognized certification/credential will receive award preference.

North Carolina for profit and not-for-profit businesses that have been in operation in North Carolina for a minimum of 12 months are eligible to apply; eligible employees must have been employed for a minimum of six months prior to beginning training.

- Incumbent Worker grants may be funded up to \$_____ with a lifetime funding limit of \$_____. (*Funds are contingent upon availability during the program year, July 1 - June 30*).
- Businesses can submit their Local Incumbent Worker Business Application (Attachment B) at any point to the Business Services Representative (BSR) of the Local WDB but must adhere to the process for submission described below.

PURPOSE

An eligible business can utilize this competitive training solution when employees have identified skills gaps that need to be addressed through training, thus enhancing the employee's continued employability. Businesses that acknowledge the need for employees' training in order to increase their competitiveness, efficiency, and/or stabilization should apply for this grant.

This grant is beneficial to employees who have identified skills gaps, where eligible training addresses these gaps, improves employee retention, helps stabilize the business, and will increase the competitiveness of the employee and business. These employees either: 1) Need to upgrade skills and knowledge to retain their current job, or 2) Need to gain new skills and knowledge so they qualify for a different job with their employer.

ELIGIBLE BUSINESSES

A business that is eligible to apply for funds under this program:

- is a North Carolina for-profit or not-for-profit business;
- has an employer-employee relationship with at least five employees.
“Employer-employee relationship” is defined as workers who are economically dependent on the business and will receive a W-2 form for tax filing purposes;
- has been in operation in North Carolina for a minimum of 12 months;
- is current on all federal, state, and local obligations. “Current” can also be defined via an established and documented proof of payment plan with the taxing entity. The Review Committee for this grant will take tax payment circumstances into account during its decision to award the grant; and
- is financially viable.

Businesses that have previously received or met the maximum lifetime limit of \$_____ (*determined by Local Area*) of the state-sponsored Incumbent Worker Grant are still eligible to apply for funding through Local Incumbent Worker and start with a balance of zero.

NON-ELIGIBLE BUSINESSES

The following businesses are not eligible to apply for funds under this program:

- A business that is currently receiving training funds, either directly or indirectly, from North Carolina state government (unless those training funds do not duplicate the training efforts outlined in this grant application). This includes trainings that are offered at no cost through the Small Business, Technology Development Center, or the NC Community College’s Customized Training program;
- A business that has received funds either directly or indirectly from North Carolina state government under any previous training initiative, and the terms of the Local Incumbent Worker Agreement (Attachment E) for training has not been met;
- A Workforce Development Board or its administrative entity;
- A labor union;
- A government entity; or
- Any business that has already met its Incumbent Worker lifetime limit as determined by the Local Area WDB.

ELIGIBLE EMPLOYEES

Eligible employees are:

- at least 18 years of age and a paid employee of the applicant business or businesses;
- meet the Fair Labor Standards Act (FLSA) requirements for an employer-employee relationship. “Employer-employee relationship” is defined in the Eligible Businesses section above.
- an employee with an established employment history with the eligible business for six (6) months or more*; and
- A citizen of the United States or a non-citizen whose status permits employment in the United States.

An individual who does not meet the employer-employee relationship are:

- those who will receive a 1099 for tax filing purposes; or
- those who are placed through a temporary agency.

**Note that the six (6) months employment history may be waived if the cohort or overall majority of employees to be trained through the grant have been employed for six (6) months or more.*

SELECTION OF ELIGIBLE TRAINING PROVIDER

In addition to the Local Incumbent Worker Training Grant, the North Carolina Community College System provides funds through its Customized Training Program. To maximize resources, the business must demonstrate that it has made efforts to secure funding through the Small Business Technical Development Center (SBTDC) and the local Community College. To ensure better fiscal stewardship of limited federal funding, the business, where applicable, is highly encouraged to utilize the available funding and training through the SBTDC and/or the local Community College prior to applying for the Local Incumbent Worker Training Grant. The *(Local Area Name)* does acknowledge and recognize that the business has an inherent knowledge of their own business needs; therefore, the *(Local Area Name)* will support the business's thoughtful consideration in the selection of a training provider of their choice that can fulfill those expectations.

ELIGIBLE TRAINING

Businesses understand their training needs the best and are, therefore, invited to submit any training that applies to their employees' skills gap, as long as it fits within the reimbursable requirements listed below. The BSR with *(Insert Local Area Name)* can assist businesses with the identification of training topics, training instructors, training dates, training locations, etc. Local Incumbent Worker funds will be expended on training activities that take place only in North Carolina and based on funding availability.

FUNDING LIMITS

An application representing training needs of one business will be subject to the maximum amount of \$_____ (*Local max.*) per training grant. An application representing common training needs of two or more businesses will be subject to the maximum of \$_____ (*Local max.*) per training grant. In a collaborative grant, the amount of the award will be equally portioned among the businesses included in the application.

The lifetime limit is \$_____ (*Local max.*) Eligible businesses with locations in multiple areas of the state will be treated as a single business for the purposes of determining when this maximum is met. The lifetime limit applies to the business, its parent business, and subsidiaries. This applies to all applicants, regardless if they have received a grant before.

The business may apply for subsequent, competitive grants, but receipt of a prior grant does not automatically guarantee an award of future grants. If a business is awarded a Local Incumbent Worker grant but is unable to use any of the funds and forfeits the full grant amount, then that grant amount will not count against the total lifetime limit for that business.

COLLABORATIVE TRAINING GRANT

Multiple businesses can partner and apply for a collaborative training grant. The proposal for the common request must:

- train employees of at least two different businesses, with one of those businesses designated as the Lead Applicant;
- include employees of the Lead Applicant in the training;
- include training descriptions and outcomes that address the employees from all businesses impacted by the proposed common training;
- include information on each business that will be part of the training. The application has a specific section for this information.

BUSINESS CONTRIBUTION

The eligible business or group of businesses must pay for a portion of the cost of providing the training to employees. This portion is defined as the non-federal share, and rules for matching are provided at Uniform Guidance 2 CFR 200.306 (<https://www.gpo.gov/fdsys/granule/CFR-2014-title2-vol1/CFR-2014-title2-vol1-sec200-306>) and 2 CFR 2900.8 (<https://www.ecfr.gov/>) respectively, WIOA Section 134(d)(4)(D) (<https://www.congress.gov/113/bills/hr803/BILLS-113hr803enr.pdf>), and the US Department of Labor Training Employment Guidance Letter (TEGL) 19-16 (https://wdr.doleta.gov/directives/corr_doc.cfm?docn=3851).

The non-federal share is based on the following limits:

- Not less than 10% of the cost, for businesses with not more than 50 employees;
- Not less than 25% of the cost, for businesses with more than 50 employees, but not more than 100 employees; and
- Not less than 50% of the cost, for businesses with more than 100 employees.

The number of employees is based on all locations within North Carolina.

The non-federal share provided by a business participating in the program may include the amount of the wages paid by the business to the trainees while they are attending a training program. The business may provide the share in cash or in kind, fairly evaluated. Examples of the non-federal share are trainees' wages, on-site facility usage, travel, food, and/or lodging.

OUTCOMES

When businesses experience a skills gap in their workforce, the business's stability can be compromised. Local Incumbent Worker grants funded by WIOA addresses the need to promote upward career and economic mobility for employees by increasing workers' skills, wages, advancement opportunities, knowledge, and certification. This will strengthen the business's competitiveness in the marketplace.

Local Incumbent Worker grants will be measured for its return on the investment of workforce dollars through wage gain, training completion, and retention. It is anticipated that the trainees who successfully complete training will see a wage gain due to skills gain. It is anticipated that the identified employees in the training plan will successfully complete and earn any certification related to the trainings.

It is anticipated that the trainees will be retained by the business. Outcomes will be measured as part of follow up by Business Services staff of (*Local Area Name*) utilizing NCWorks.gov, participant surveys, and other available resources.

The business is to complete the Local Incumbent Worker Goal Attainment Report (Attachment H) and submit to the *(Local Area Name)* BSR no later than *(to be determined by local WDB)* ___ days after the completion of each training component.

APPLICATION PROCESS

- A Local Incumbent Worker Pre-Awards Questionnaire (Attachment B) is first provided to the business by the BSR at the *(Local Area Name)*.
- After completing this checklist and receiving feedback from the BSR, the business will receive a Local Incumbent Worker Business Application (Attachment C).
- The BSR will review the Local Incumbent Worker Business Application (Attachment C) and provide feedback to the business on suggested edits.
- The Business will then have *up to (to be determined by local WDB) ___ weeks* to complete a second draft of its application, if applicable, and submit again to the BSR. Failure to comply with the two-week timeframe may result in delayed review.
- Following the submission of the application, the BSR will convene the Local Incumbent Worker Review Committee to review the application and determine a funding decision using the Local Incumbent Worker Application Assessment (Attachment D).
- The BSR will notify the businesses of the decision of the review committee *no later than (to be determined by local WDB) ___ weeks* following the submission of their final application.

SELECTION AND AWARD PROCESS

(Insert name of financial entity here) is the financial entity for the WIOA funds for *(insert Local Area county(ies) here)*

- A Local Incumbent Worker Agreement (Attachment E) is established between *(Insert Local WDB name here)* and the awarded business within a month *(to be determined by Local Area)* following the review committee's decision).
- The business will submit a Local Incumbent Worker Trainee Application (Attachment F) for all employees participating in the trainings to the BSR.
- Training must be completed within 12 months from the date of the Local Incumbent Worker Agreement (Attachment E) between the business and *(insert Local Area name here)*.

MONITORING

The BSR of *(insert Local Area name here)* will monitor the grants. The BSR will work with the business tracking progress of the various training components. All participants will be enrolled in NCWorks.gov. NCWorks.gov will be used to track the training.

For monitoring purposes, the business will be responsible to provide the following for each trainee:

- Complete Name
- Contact Information
- Social Security Number
- NC Driver's License or State ID
- Gender
- Date of Birth
- Citizenship (Right-to-Work Status)

- Selective Service Compliance
- Disability Status
- Ethnicity and Race

The business must also ensure that each trainee has an employer-employee relationship and an employment history of six (6) months or more with the business. The business confirms and verifies that all employees' verification documents are current and accurate and are available upon request by the local Workforce Board.

REVISIONS

If there is an extenuating circumstance that leads to a need to request a change to the approved training, the business must contact the BSR to discuss the best alternatives. Changes in the training(s) will not necessitate a new application, but the business will need to amend Section II: Training Summary of the Local Incumbent Worker Business Application (Attachment C) and submit to the BSR as soon as possible. If necessary, the BSR may convene the Local Incumbent Worker Review Committee to review these changes as it relates to the purpose of this grant, including the trainees' originally identified skills gaps. The training will still need to be completed within the 12 months from the date of the Local Incumbent Worker Agreement (Attachment E). *(Insert Local Area name here)* will evaluate each request on a case-by-case basis.

REIMBURSEMENTS

The Local Incumbent Worker grant is a reimbursement program wherein the business is reimbursed for training cost on a monthly invoice cycle. The business shall submit the Local Incumbent Worker Expenditure Report (Attachment G) along with an invoice, proof of payment, receipt for the training cost, and the Local Incumbent Worker Trainee Roster (Attachment I) to the BSR to process the reimbursement in keeping with the financial policies of *(Insert Local Area name here)*. The Local Incumbent Worker Expenditure Report (Attachment G) deadline is the (to be determined by Local Area) ____th of the month with reimbursement made the last Friday of the month *(to be determined by Local Area)*.

EVALUATIONS

The Local Incumbent Worker Final Report (Attachment J) on the training is due no later than *(to be determined by Local Area)* ____ days from the end of the training. The report will include:

- names of all completing participants;
- total hours of training; and
- certifications earned (if any).

Additional information related to retention, promotion, wage increases, or business expansion/growth should be reported at that time. *(Insert Local Area name here)* will monitor training results for up to one year in accordance with the Outcomes section referenced above.